

Chapter 11. RESPONSIBILITIES FOR ESTABLISHING AND MANAGING NOAA/BIS IMPREST FUNDS

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11-01 PURPOSE.

This chapter defines the responsibilities of the NOAA Finance Office, imprest fund supervisors and approving officials for establishing and managing NOAA and Bureau of Industry and Security (BIS) imprest funds. All operational and management responsibilities for NOAA/BIS imprest funds have generally been delegated to the NOAA Finance Office.

This chapter does not describe the responsibilities of imprest fund cashiers or the procedures for establishing and managing imprest funds. Detailed procedures and cashier responsibilities are contained in the Department of Commerce (DOC) Cash Management Policies and Procedures Handbook, (CMPPH) Chapter 6, "Cash Held Outside Treasury." This chapter frequently refers the reader to the CMPPH, Chapter 6 for more

detailed guidance. The CMPPH, Chapter 6 may be accessed at:
<http://www.osec.doc.gov/ofm/cash/chptr6.pdf>

The Treasury, Financial Management Service, Manual of Procedures and Instructions for Cashiers (Cashier's Manual) may be accessed at:
http://fms.treas.gov/imprest/cashiers_manual.pdf

11-02 ESTABLISHING IMPREST FUNDS.

Title 31 CFR part 208, Management of Federal Agency Disbursements: Final Rule requires that all payments must be made by Electronic Funds Transfer (EFT) by January 9, 1999. In keeping with this requirement, Federal agencies are required to eliminate imprest funds in accordance with the Imprest Fund Policy Directive, issued by Treasury, November 9, 1999
<http://www.fms.treas.gov/imprest/> .

NOAA's policy is to eliminate or minimize both the number and the cash balances of imprest funds as required by the Treasury Policy Directive. Consequently, requests for establishing imprest funds should be limited to situations such as the following where the availability of cash is necessary:

1. Vendors will not accept other procurement methods such as small purchase orders, Government BankCards, or convenience checks, and the product is not available from other local vendors.
2. Vendors require payment in cash.
3. Frequent small purchases of supplies and services are needed at locations not serviced by a procurement office.
4. Vendors are not equipped to bill agencies or make arrangements for credit.
5. Unusual operating conditions preclude using conventional disbursing methods.
(only under approved exceptions)

NOAA's policy on imprest funds remains effective for all imprest funds that operate under a waiver from the requirements of the Treasury Policy Directive and satisfies a continuing need for making limited value cash or non-cash disbursements in lieu of processing check disbursements.

Imprest funds should only be used when other procurement and payment methods are not available. Preferred alternatives to the use of imprest funds include:

1. U.S. Government BankCards;
2. VISA convenience checks;
3. blanket purchase orders;
4. agency inventory excess property accounts, Federal Prison Industries, Inc. or Workshops for the Blind or other severely handicapped persons; and
5. GSA Federal Supply Schedule contracts.

Procedures for establishing imprest funds and the responsibilities for authorizing and designating imprest fund cashiers are contained in CMPPH, Chapter 6, Section 5.0. See Section 11-01 of this chapter for the web page access site.

11-03 RESPONSIBILITIES OF AUTHORIZING OFFICIALS.

The authorizing official has the primary responsibility for ensuring imprest funds are used properly. The signature of the authorizing official on an imprest fund sub-voucher means the purchase is in full compliance with all imprest fund, procurement, and regulatory requirements. The responsibilities of the authorizing official include:

1. Signing each original cash payment document (NOAA Form 34-6 & sub vouchers). See Exhibit 11-7. NOAA Form 34-6 can be accessed at:

<http://www.ofa.noaa.gov/~audit/noaaforms/nf3406r1.pdf>

2. Ensuring all items ordered are officially necessary; items approved for payment have been received; and the correct account classification is applied to the purchase.

3. Having knowledge of and enforcing policies concerning: allowable and prohibited purchases; proper purchase and payment mechanisms, e.g., Bankcard, convenience checks, purchase orders, etc.; allowable spending limits; approvals needed for purchases of equipment, Automated Data Processing (ADP), furniture, etc.; and approvals and documentation needed for special transactions, e.g., emergency salary payments, etc.

4. Ensuring that only NOAA employees use the imprest fund.

11-04 RESPONSIBILITIES FOR TRAINING, REPLENISHMENT, TURNOVER, VERIFICATION AND AUDIT.

See the following references in CMPPH, Chapter 6 for detailed information on:

1. Training - Section 5.02,d;
2. Replenishment - Section 7;
3. Turnover - Section 7.03;
4. Verification - Section 14.07; and
5. Audit - Section 14.14.

The Cashier's Supervisor's Responsibilities

1. Training

The cashier's supervisor is responsible for:

- a. ensuring the cashier receives the necessary training and reference materials; and
- b. reviewing training and reference materials with the cashier to provide assurances he/she has a sufficient understanding of the duties of the cashier.

2. Replenishment

The cashier's supervisor is responsible for:

- a. ensuring the cashier submits reimbursement vouchers (Form OF 1129A, Cashier Reimbursement Voucher and/or Accountability Report - Exhibit 11-8) in accordance with the requirements contained in CMPPH, Chapter 6, Section 14 unless an exception has been approved; and
- b. reviewing and approving the reimbursement vouchers to ensure the Status of Fund section accurately reflects the condition of the imprest fund.

3. Turnover

The cashier's supervisor is responsible for:

- a. reviewing the fund level in relation to activity to ensure the fund level is appropriate; and
- b. requesting the servicing Finance Office to reduce the fund when the activity does not justify the authorized balance.

4. Verification

The cashier's supervisor is responsible for:

- a. ensuring that quarterly cash verifications are performed and that the fund is audited as required by the Department of Commerce Cash Management Policies and Procedures Handbook, Chapter 6, Section 10.15, to include every change in cashiers; and
- b. participating in the cash verifications when necessary.

5. Audit

The cashier's supervisor is responsible for completing documentation and participating in annual audits of the imprest fund as required by the servicing Finance Office.

6. Internal Control

The cashier's supervisor is responsible for:

- a. ensuring that the cashier's duties are properly segregated to prevent the opportunity for fraud (e.g., the cashier should not perform collections, pricing, billing, or maintain accounts receivable; operate more than one fund at a time; commit or approve funds for expenditure; perform other functions related to making cash disbursements; or maintain inventories or inventory records, authorizing, approve, or handle the receipt of goods and/or services);
- b. providing the cashier with adequate facilities, equipment, and a secure environment for the safe operation of the fund;

c. ensuring that the security officer has a duplicate cash box key/combination in a sealed, signed, and dated envelope in a secure place inaccessible to other employees;

d. establishing hours of imprest fund operation; and

e. ensuring proper use of the fund.

The servicing Finance Office Chiefs' Responsibilities are:

1. Training

The servicing Finance Office Chief is responsible for:

a. providing training, guidance and oversight to cashiers and their supervisors on the operational requirements of imprest funds;

b. assisting in the resolution of unusual payments; and

c. providing copies of pertinent guidance to cashiers and explaining policies and procedures.

2. Replenishment

The servicing Finance Office Chief is responsible for:

a. monitoring the frequency of reimbursement voucher submission by individual cashiers to determine compliance with the replenishment requirements contained in CMPPH, Chapter 6;

b. approving exceptions, when necessary, to the replenishment requirements contained in CMPPH, Chapter 6;

c. taking the necessary steps to reduce or liquidate the fund if a cashier does not comply with the replenishment requirements contained in CMPPH, Chapter 6; and

d. reporting at least annually to the Finance Office, Financial Systems and Policy Division (FSPD) on imprest funds which are not in compliance with replenishment requirements (see Exhibit 11-1).

3. Turnover

The servicing Finance Office Chief is responsible for:

a. conducting reviews of the imprest fund activity at least semi-annually to assess the level of cash needed at each fund relative to the fund's activity;

b. determining whether or not the funds advanced to the cashier are excessive and taking whatever opportunities are available to reduce imprest fund cash balances; and

c. reporting at least annually to the Finance Office, FSPD on imprest funds which are not in compliance with turnover requirements (see Exhibit 11-1).

4. Verifications

The servicing Finance Office Chief is responsible for:

a. monitoring the frequency of verifications for each fund;

b. taking the necessary actions to liquidate imprest funds if verifications are not being performed as required;

c. reviewing verification reports to ensure the imprest fund is intact;

d. taking the necessary actions to liquidate imprest funds if verifications reveal serious shortcomings in the operation of the fund;

e. when necessary, providing for or arranging for personnel to conduct the verifications;

f. retaining a copy of each verification report for reference and audit purposes; and

g. reporting at least annually to the Finance Office, FSPD on compliance with verification requirements (see Exhibit 11-2).

5. Audits

The servicing Finance Office Chief is responsible for:

- a. ensuring annual audits of imprest funds are conducted;
- b. if necessary, arranging for qualified employees near the imprest fund site to assist in the audit as required;
- c. following-up to ensure the resolution of reported findings and recommendations and/or reported irregularities;
- d. completing an audit report according to the requirements of CMPPH, Chapter 6, Section 14.14;
- e. retaining a copy of each audit report and supporting workpapers;
- f. retaining in a permanent file all documentation related to audit findings or recommendations and efforts at correction;
- g. taking the necessary steps to liquidate a fund if the cashier's supervisor does not complete documentation or participate in the audits as required;
- h. taking the necessary steps to liquidate the fund if audits reveal the fund is not being operated in a responsible way; and
- i. reporting at least annually to the Finance Office, FSPD on compliance with audit requirements (see Exhibit 11-3).

11-05 LIQUIDATING IMPREST FUNDS.

See CMPPH, Chapter 6, Section 13.0 for procedures to liquidate imprest funds.

When an imprest fund is not being operated in compliance with the requirements of CMPPH, Chapter 6, it should be liquidated. The primary responsibility for recommending and effecting an involuntary liquidation of an imprest fund rests with the servicing Finance Office Chief. The Finance Office, FSPD may also recommend liquidation of an imprest fund.

Failure to comply with any of the following requirements is a basis for recommending the involuntary reduction or liquidation of an imprest fund:

1. performing quarterly cash verifications;
2. completing documentation or participating in annual audits as required by the servicing Finance Office;
3. submitting replenishment vouchers as required;
4. turning over the imprest fund as required;
5. providing adequate security; or
6. operating the fund in a responsible manner.

The servicing Finance Office can liquidate imprest funds either by not replenishing reimbursement vouchers or by billing the imprest fund cashier for the remaining balance. The cash and/or uncashed check(s) must be returned to the servicing finance office with an OF 1129A as an accountability report with the notation "No Replenishment Vouchers Submitted.".

11-06 RESPONSIBILITIES OF THE NOAA FINANCE OFFICE, FINANCIAL SYSTEMS AND POLICY DIVISION (FSPD).

The NOAA Finance Office, FSPD is responsible for policy and oversight of imprest funds, but is not responsible for their operation or management. Specifically, the imprest fund responsibilities of the NOAA Finance Office, FSPD include:

1. issuing and interpreting policy;
2. reviewing and referring, when appropriate, requests for administrative relief received from the servicing Finance Office to the DOC Office of Financial Management;
3. reviewing and referring, when appropriate, requests for changes and exceptions to the policies and procedures contained in CMPPH, Chapter 6 to the DOC Office of Financial Management;
4. reviewing and forwarding reports of missing funds or irregularities to the DOC Office of Financial Management;

5. monitoring the servicing Finance Office to ensure cash verifications are completed quarterly; audits are completed annually; cash turnover reviews are completed semi-annually; and reimbursement vouchers are submitted as required by CMPPH, Chapter 6; and

6. recommending fund liquidation or reduction when: cash verifications and audits are not completed as required; reimbursement vouchers are not submitted as required; the activity in the imprest fund does not justify the amount of cash held; or the imprest fund fails to meet the exception requirements or contingency need for maintaining an imprest funds. See Treasury Imprest Fund Policy Directive at: <http://www.fms.treas.gov/imprest> .

11-07 EFFECT ON OTHER ISSUANCES.

This chapter supersedes all previous issuances of Chapter 11 of the NOAA Finance Handbook.

Exhibit 11-1

IMPREST FUND REPLENISHMENT AND TURNOVER REVIEWS REPORTING REQUIREMENTS

The servicing Finance Office will:

1. Conduct a review semi-annually of all NOAA/BIS imprest funds in their region to determine whether:

- funds advanced to cashiers are excessive, i.e., they are not turned over at least once every 2 months as required by Department of Treasury guidelines; and
- imprest funds are being replenished according to the following schedule.

<u>Size of Fund</u>	<u>Frequency of Replenishment</u>
Funds greater than \$5,000:	Once a week at a minimum
Funds \$1,000 - \$5,000:	Two times a month at a minimum
Funds less than \$1,000:	Once a month or more often as needed to maintain the fund

2. Complete a list of those NOAA/BIS imprest funds which are not turned over at least once every 2 months; or fail to meet the above replenishment schedule unless a waiver has been approved. The list will include, for each imprest fund which is not turned over or replenished as required, the cashier reference number, the turnover rate or the replenishment frequency, and the action taken to notify the organization that the fund will be reduced or liquidated.
3. Submit the above list to the Finance Office, Financial Systems and Policy Division at least annually no later than November 1.
4. Warn organizations with imprest funds which are not turned over or replenished as required that the fund will be reduced or liquidated.

5. Take the necessary steps to reduce or liquidate an imprest fund which is consistently not turned over at least once every 2 months or which consistently does not submit reimbursement vouchers as required.

The servicing Finance Office and the Finance Office Financial Systems and Policy Division will:

1. Review the list of imprest funds which are not turned over or replenished as required.
2. Recommend reduction or liquidation of imprest funds which are not turned over or replenished as required.

Exhibit 11-2

IMPREST FUND VERIFICATIONS REPORTING REQUIREMENTS

The servicing Finance Office will:

1. Complete a list of all NOAA/BIS imprest funds in their region. The list will include, for each imprest fund, the cashier reference number, the dates of the quarterly verifications and action taken if the imprest fund was not verified quarterly. Exhibit 11-4 is a sample format. (Any format is acceptable as long as the required information and certification are included.)
2. Submit the above list to the NOAA Finance Office, FSPD at least annually no later than November 1.
3. Certify they have documentation on file which supports the verifications included in the above list.
4. Warn organizations which fail to verify their imprest funds quarterly, as required by Treasury and the Department of Commerce (DOC), that the funds will be liquidated. Exhibit 11-6 is a sample letter which contains a warning that imprest funds which are not verified will be liquidated at the discretion of the Chiefs of the servicing Finance Office or the Director/Comptroller, Finance Office.
5. Take the necessary steps to liquidate an imprest fund if verifications are not performed as required, or if verifications reveal serious shortcomings in the operation of the fund.

The Finance Office, Financial Systems and Policy Division will:

1. Review the lists of imprest fund verifications and follow-up with the servicing Finance Office when verifications are not current.
2. Recommend liquidation of imprest funds which are consistently not verified according to Treasury and DOC requirements.

Exhibit 11-3

IMPREST FUND AUDITS REPORTING REQUIREMENTS

The servicing Finance Office will:

1. Complete a list of all NOAA/BIS imprest funds in their region. The list will include, for each imprest fund, the cashier reference number, the date of the audit completed during the current fiscal year, an explanation for and/or action taken for imprest funds which were not audited during the current fiscal year. Exhibit 11-5 is a sample format. (Any format is acceptable as long as the required information and certification are included.)
2. Submit the above list to the NOAA Finance Office, FSPD at least annually no later than November 1.
3. Certify they have documentation on file which supports the audits included in the above list.
4. Warn the organizations which fail to participate in annual audits as required by the servicing Finance Office that the funds will be liquidated at the discretion of the Chief of the servicing Finance Office or the Director/Comptroller, Finance Office.
5. Take the necessary steps to liquidate imprest funds if organizations fail to participate in audits as required or if audits reveal serious shortcomings in the operation of the fund.

The Finance Office, Financial Systems and Policy Division will:

1. Review the lists of imprest fund audits and follow-up with the servicing Finance Office when audits are not current.
2. Recommend liquidation of imprest funds which are consistently not audited according to Treasury and DOC requirements.

Exhibit 11-4

EXAMPLE

(SERVICING FINANCE OFFICE)
LISTING OF IMPREST FUND VERIFICATIONS
FISCAL YEAR ENDING SEPTEMBER 30, 20XX

CASHIER REF. NUMBER	DATE 1 st QTR	DATE 2 nd QTR	DATE 3 rd QTR	DATE 4 th QTR	DESCRIPTION OF ACTION TAKEN IF VERIFICATIONS NOT COMPLETED
_0107	11/2/03	2/17/04	5/20/04	8/31/04	
_0090	12/7/03	3/1/04	6/23/04	NONE	WARNING LETTER SENT 10/1/04

I, _____ (SIGNED), CERTIFY THAT
DOCUMENTATION SUPPORTING THE ABOVE VERIFICATIONS IS ON FILE IN
THE _____.
(SERVICING FINANCE OFFICE)

Exhibit 11-5

EXAMPLE

(SERVICING FINANCE OFFICE)
LISTING OF IMPREST FUND AUDITS
FISCAL YEAR ENDING SEPTEMBER 30, 20XX

CASHIER REFERENCE NUMBER	DATE OF AUDIT	DESCRIPTION OF ACTION TAKEN IF AUDIT WAS NOT COMPLETED
_0107	6/23/04	N/A
_0090	NOT COMPLETED	ORGANIZATION DID NOT COMPLETE QUESTIONNAIRE AS REQUIRED; SENT WARNING LETTER 9/30/04

I, _____ (SIGNED), CERTIFY THAT
DOCUMENTATION SUPPORTING THE ABOVE AUDITS IS ON FILE IN THE
_____.
(SERVICING FINANCE OFFICE).

Exhibit 11-6

SAMPLE WARNING LETTER

MEMORANDUM FOR: (Cashier's Supervisor or Supervisor of
Organization with Responsibility for Imprest
Fund)

FROM: Chief, (Servicing Finance Office)

SUBJECT: Imprest Fund Verification

Our records indicate imprest fund (reference no. or location)
has not been verified as required by Department of Treasury and
Department of Commerce (DOC) regulations. This imprest fund was
last verified on (date).

Periodic verifications assure management the imprest fund is
intact and is being operated in a responsible way. DOC
regulations require imprest fund verifications at least once
each calendar quarter. Although the cashier's supervisor is not
required to conduct the verification, he/she is primarily
responsible for ensuring the verifications are performed.

Imprest funds which are not verified quarterly will be
liquidated at the discretion of the servicing Finance Office
Chief or the Director/Comptroller, Finance Office.

If you require assistance on verification procedures and
requirements, please contact the (servicing Finance Office) on
(phone number).

NOAA FORM 34-6 (11-78)		U.S. DEPARTMENT OF COMMERCE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION		DATE	
IMPREST FUND PURCHASES					
DESCRIPTION OF SUPPLIES OR SERVICES			QUANTITY (No. of Units)	UNIT PRICE	COST (Units "x" Price)
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
FUNDING CLASSIFICATION			TAX <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
ORGANIZATION CODE	TASK NUMBER	OBJECT CLASS	TOTAL COST <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
					\$0.00
DIVISION ADDRESS AND ROUTING CODE			VENDOR (Name, address and zip code)		
DATE RECEIVED	AMOUNT RECEIVED		NAME AND TITLE OF AUTHORIZING OFFICIAL		
SIGNATURE			SIGNATURE (Authorizing Official)		

NOAA FORM 34-6 (11-78)

SUPERSEDES PREVIOUS EDITION WHICH MAY BE USED UNTIL STOCK IS DEPLETED.

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